

CITY OF SAN ANTONIO

Department of Housing and Community Development

**COMMUNITY DEVELOPMENT BLOCK GRANT = CDBG
HOME INVESTMENT PARTNERSHIP PROGRAM = HOME**

CDBG & HOME

Housing Program Policies

CDBG and HOME Housing Program Policies

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CDBG/HOME

Housing Program Policies

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Background Information

The City of San Antonio receives support from the U.S. Department of Housing and Urban Development to assist low and moderate income families in obtaining affordable housing. The City receives several block grants, which it can use to support its housing initiatives. HUD outlines certain regulations that apply when using the block grant funds. The City has had several recent efforts to streamline the housing system and increase inner city revitalization efforts. This policy document uses the HUD regulations as a basis and also incorporates the City's own goals and objectives in relation to affordable housing as outlined in the Community Revitalization Action Group reports, the Housing Master Plan and the recommendations in relation to the Housing Services Delivery System.

Community Development Block Grant (CDBG) Objectives

The Community Development Block Grant has been in existence for over 20 years. The primary objective of the CDBG program is to improve communities by providing decent housing, providing a suitable living environment, and expanding economic opportunities. The primary beneficiary of CDBG funds must be low to moderate-income persons, or the funds must aid in the prevention or elimination of slums or blight, or meet an urgent need. In San Antonio, we use CDBG funds for the repair of rental housing and housing owned by its occupants.

Home Investment Partnership Program (HOME) Objectives

The following are the goals of the HOME program: provide decent affordable housing to lower-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private sector participation. All HOME funds must benefit persons low and moderate income persons.

Income Requirements

For CDBG, if a project directly benefits a person or family, they must be low or moderate income (below 80% of Area Median Income). For CDBG projects that do not directly benefit an individual, a minimum of 51% of the project beneficiaries must be low to moderate income. In certain special circumstances, CDBG funds can assist persons who are up to 120% of the Area Median Income. For the HOME program, all program participants must have incomes at 80% of the Area Median Income or below, as established by HUD. (Please refer to Appendix 2 for current income limits.)

How to Use this Document

Use this document to familiarize yourself with the applicable HUD regulations and City policies in relation to federally assisted affordable housing programs. When applying for funding from CDBG and HOME, ensure that your proposed program will meet the standards outlined here. When implementing an affordable housing program, use this guide as a reference tool to ensure that your program meets the guidelines established by the City and HUD.

City of San Antonio Housing Master Plan

The City of San Antonio invested a great deal of time and money into revamping the housing services delivery system to create efficiencies and better utilize the funding available for housing and community development. In June 2001, The City Council accepted the Housing Master Plan, a comprehensive document that lays out a vision for meeting the housing needs of all of San Antonio's citizens. The CDBG and HOME funds, which are the focus of this guide, are largely restricted to use for projects and programs benefiting low income persons. The Housing Master Plan, however, attempts to meet the housing needs of all citizens, including the most needy, while creatively planning for the use of available resources to revitalize San Antonio's inner city and ensure balanced growth. The goals outlined in the Housing Master Plan are as follows:

Housing Master Plan Goals

-  **Expand affordable housing opportunities.**
-  **Expand special needs housing opportunities.**
-  **Encourage desirable housing development projects.**
-  **Encourage the development of partnerships between developers, financial institutions and non-profit agencies.**
-  **Improve program efficiencies.**
-  **Encourage urban design standards and amenities.**

This policy document incorporates many of these goals in the rules for CDBG and HOME activities. If you are implementing a program using CDBG and/or HOME funds, please keep these goals in mind.

CDBG and HOME Program Policies Requirements by Activity

This section outlines the requirements for a variety of housing activities financed with CDBG and HOME funds.

The Community Development Block Grant (CDBG) and the Home Investment Partnership Program (HOME) funds can both be used to fund affordable housing projects that fall into the following categories:

CDBG and HOME

- Owner Occupied Rehabilitation and Reconstruction
- Homebuyer Activities
- Rental Rehabilitation Activities

HOME Only

- Tenant Based Rental Assistance
- New Construction

CDBG Only

- Emergency Repair

Owner-Occupied Rehabilitation & Reconstruction

HOME and CDBG funds may be used to assist homeowners in repairing, rehabilitating and reconstructing homes that have significantly deteriorated. These homes must be occupied by their owners. HOME and CDBG funds can be used by the City and its partners to implement this activity. Emergency Repair programs may be operated by non-profit partners using CDBG funds only. The following requirements apply to Owner Occupied Rehabilitation programs that are operated by the City and any of its partners implementing programs funded by or through the City. **Please note, these policies do not apply to non-federal funds.**

Client Eligibility

Clients assisted by the Owner-Occupied Rehabilitation programs must meet the following criteria:

- Applicant's household annual income must be 80% of the Area Median Income or below (See Appendix 2 for Income Limits).
- Applicant must have acceptable credit.
- Applicant must be a U.S. Citizen or legal resident alien.
- Home to be repaired must be occupied as the primary residence of applicant, designated as "homestead".
- Home must be in the city limits of San Antonio.
- Applicant must have clear title to the property.
- Taxes must be current.
- The house must be structurally and economically feasible for repair.


? *What does "clear title" mean?* – "Clear Title" means that the home has not been obtained through a contract for deed. In addition, there are no valid abstract judgements or extraneous liens against the property.


Repayment Requirements

Policy Direction:

CRA 2000 Report Recommendation: “Reduce or eliminate the practice of providing completely forgivable first-lien loans from CDBG and HOME funds.”

The program will assist homeowners by providing **low-interest loans** or **deferred payment loans** to cover the cost of the needed repairs. No forgivable loans will be granted.

 **A Low Interest Loan** is a loan that will be repaid an interest rate between 0% and 3% over a specific period of time.

 **A Deferred Payment Loan** is a loan for which yearly payments are deferred as long as the initial family continues to reside in the rehabilitated home. Payments will be due at sale or transfer of the property.

For clients who are under 30% of the Area Median Income, a perpetual lien will be attached to the property at the time of the assistance. All payments will be deferred until sale or transfer of the property. Upon sale or transfer of the property, the City will be repaid 50% of the appraised value of the property, or 100% of the cost of the rehabilitation/reconstruction, whichever is LESS.

For clients between 31% and 60% of the Area Median Income, a determination will be made on what portion of the rehabilitation costs the family can afford to repay to the City. The repayable portion will be at an interest rate of 1%. A perpetual lien will be secured against the property. Whatever portion is not repaid by the family will be deferred until sale or transfer of the property. At that time, the City will be repaid 50% of the appraised value of the property, or 100% of the cost of the rehabilitation/reconstruction (outstanding loan balance), whichever is LESS.

For clients between 61% and 80% of the Area Median Income, a loan, secured by a lien against the property, will be made at an interest rate of 3% for the cost of the rehabilitation. The term of the loan will depend on the amount of funds invested in the property (See chart below). If it is determined that the family does not have the ability to repay a loan, a perpetual lien will be secured against the property and the loan amount will be deferred until sale or transfer of the property. At that time, the City will be repaid 50% of the appraised value of the property, or 100% of the cost of the rehabilitation/reconstruction (outstanding loan balance), whichever is LESS.

For clients between 81% and 120% of Area Median Income in special areas, funds will be provided in the form of a loan at 3%. A lien against the property will only be for the term of the loan. Upon repayment of the loan, the lien will be released.

In all cases, the City will be repaid at the time of sale, a portion, if not all, of the funds invested in rehabilitating the property. This will generate repayments that can be used to assist additional homeowners.

? What does “appraised value” mean? – The value of the home as determined by Bexar Appraisal District at the time of sale or transfer.

If the property is transferred to one or more heirs of recipients of federal assistance, and one or more of these heirs intends to continue residence in the assisted property, the City may make payment arrangements with these heir(s) for repayment of the assistance at the interest rates and loan terms outlined above, dependent on the heir’s income level. However, payment arrangements will only be considered if the total income of all heirs designated as owners of the property meets the low-income criteria established by HUD. Any repayment provision with an heir must be worked out within thirty days of transfer of title.

Heirs may NOT make repayment arrangements with the City and then rent out the property. If a property is rented, the city loan will immediately become due and payable.

If the heirs must sell the property in order to repay the City’s loan, they must do so within six months of the transfer of title. The City Department Director may grant extensions if there are problems with the sale.


Repayable Loan Terms


All repayable rehabilitation loans will be secured by a lien on the property. The loan term will be dependent upon the amount of funds invested in the property as follows:

Investment	Loan Term
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

Loan Limits for Rehabilitation

- Minimum Amount: \$5,000
- Maximum Amount: \$50,000, but no more than \$37.00 per square foot

 For clients that are assisted with CDBG or HOME funds, the loan, plus the amount of any outstanding lien on the property must not exceed 90 percent of the after-rehabilitation value of the property.

 Loan limits do not include money received from the City or other source for lead hazard reduction activity or accessibility modifications.

The City Council Urban Affairs Committee, on a case-by-case basis, may waive the loan and deferred payment loan maximum if the after-rehabilitation value of the property is high enough to support the expenditure, and if the rehabilitation option is less costly than other housing alternatives.

Underwriting Standards

In all cases, the applicant must have an acceptable credit, and mortgage payment history. These minimum standards apply to all applicants, including those who do not make monthly repayments on their loans. Following is the minimum standard for credit:

- 12 month current payment history for rent and/or utilities will be the standard. No more than one late payment in a year's time will be accepted.
- No bankruptcy within the following timeframe:
 - For Chapter 7: Must be five (5) years from discharge
 - For Chapter 13: Must be two (2) years from discharge

Loans underwritten by the City or other agency implementing a program will use 30 percent of gross monthly income for housing expenses as a standard for determining ability to pay. Monthly housing expenses include: payments on any mortgage, property taxes, home insurance, cost of utilities, and the additional payment required for the rehabilitation loan. Monthly housing expenses should not exceed 30% of the family's gross monthly income.

Refinancing of an existing mortgage or home improvement loan is an eligible expense up to the maximum of \$5,000. The total debt, including refinanced amount and rehabilitation costs, cannot exceed 100% of the market value of the property. Such refinancing will be a part of a low interest loan (at 3%); resulting repayments for the refinanced portion will be payable immediately. There will be no deferment period for the refinanced portion of the rehabilitation loan. A contract for deed with the balance not exceeding \$5,000 may be bought and refinanced under this provision, to allow the applicant to qualify for rehabilitation assistance (provided that clear title is obtained). Refinancing will be used to secure first lien position for the City whenever possible. No payment of credit card debt or property taxes is allowable through the refinancing vehicle. Mortgage balance is the only debt allowable through the refinancing option, with the exception of liens from the City for lot clearance or demolition.

Please note, if a client has already been assisted with HOME or CDBG funds to rehabilitate their home, they are prohibited from refinancing the project with

additional HOME or CDBG funds after the project is complete. There will be no exceptions to this provision. (Providing exceptions could conflict with the Federal Guidelines.)

Additional Loan Conditions

Loan documents will contain the requirement that the rehabilitated home must remain owner-occupied during the loan term. If a home is vacated or leased during the term of the loan, then the full remaining balance of the loan is immediately due and payable in full. If the home is transferred through sale during the term of the loan the balance is immediately due and payable in full.

All homeowners are responsible for paying real property taxes, and for maintaining adequate fire and extended coverage insurance on the subject property for the full term of the loan. Failure to comply will be cause for default and repayment of the entire note in full will become due immediately.

Permitted Repairs

Rehabilitation funds may be used to make any necessary repairs to remove deficiencies, which prevent the structure from meeting the standards outlined in the Building Code of the City of San Antonio. All code deficiencies must be addressed.

Funds may also be used for weatherization and/or energy conservation items. Weatherization and energy grants will not be counted toward the maximum loan amounts.

Accessibility modifications are also eligible. ADA grants will not be counted toward loan limits.

Less critical work (general property improvements) may be completed only after all code deficiencies making a structure substandard have been eliminated. All improvements must enhance the basic livability of the home.

Rehabilitation assistance may be denied if it is been determined that the house is structurally or economically infeasible for any repairs.

Although modernization is allowable, this program is not intended for cosmetic repairs. COSA reserves the right to determine repairs which may be deemed as cosmetic.

Lead-Based Paint

The U.S. Department of Housing and Urban Development instituted new rules in relation to lead based paint hazards. The following requirements apply to Owner-Occupied Rehabilitation Programs. The required Lead Activity is based upon the amount of CDBG or HOME funding invested in the rehabilitation project. See chart below.

Lead-Based Paint Requirements Based on Dollar Amounts

	Level of CDBG/HOME Funding		
Requirement	<\$5,000	\$5,000 to \$25,000	>\$25,000
Approach to Lead Hazard Evaluation and Reduction	Do no harm	Identify and control lead hazards	Identify and abate lead hazards
Notification	Yes	Yes	Yes
Lead Hazard Evaluation	Paint Testing	Paint Testing and Risk Assessment	Paint Testing and Risk Assessment
Lead Hazard Reduction	Repair surfaces disturbed during rehabilitation	Interim Controls	Abatement (Interim controls may be used on exterior surfaces not disturbed by rehabilitation)

For additional information, please refer to **Part 6** of this manual.

Owner-Occupied Reconstruction

If a home is deemed infeasible for rehabilitation, the deteriorated structure may be torn down and a new home may be built on the same lot to assist the client. This is called “Reconstruction”. For reconstructed homes, conventional construction methods must be used unless other methods are specifically authorized by City Council. **The same eligibility and repayment requirements apply to reconstruction as for rehabilitation.**

Emergency Repair Assistance

Only CDBG funds can be used for Emergency Repair Programs. This activity is prohibited under the HOME program.

Definition of Emergency Repair:

The home must have one or more conditions which **immediately** threaten the health and safety of the occupants, and which must be addressed in an expeditious manner.

Eligibility

Any owner-occupant within the San Antonio City limits whose annual gross household income does not exceed 80 percent of the area median income is eligible for assistance.

Home meets the criteria for emergency repair outlined in the above definition.

Applicant must be a U.S. Citizen or legal resident alien.

The applicant must be on a waiting list for an owner-occupied rehabilitation program. A full home rehabilitation must be performed following the emergency repair work.

Assistance Terms

An emergency repair grant, up to a maximum of \$5,000 will be made to correct only the specific conditions, which immediately threaten the health and safety of the occupants. Please note that spending more than \$5,000 would mean HUD's lead-based paint requirements must be met. Since this assistance is provided as a grant, no repayment provisions are required. If the client does not follow through with the full rehabilitation of the home, the emergency repair funds must be repaid. The established repayment guidelines will apply.

Program Standards

Emergency Repair Assistance is provided only to resolve housing emergencies resulting from natural disasters, fires, or severe deterioration. In all cases, complete housing rehabilitation cannot be accomplished due to extensive structural deficiencies.

Only those repairs needed to address code deficiencies which present an immediate threat to the health and safety of the occupants will be addressed through this program. These deficiencies must be related to the **roof, plumbing**

and/or electrical systems. Foundation repair or replacement is not an eligible repair. The Emergency Repair work will only stabilize the property until a more substantial rehabilitation can be performed.

The City will not operate any emergency repair program. The City's partners (non-profit community based organizations, or for-profit builders) may receive CDBG funding for Emergency Repair activities.

There will be no second time assistance provided. (Emergency Repair assistance will not be provided more than once.)

Contractors for Owner-Occupied Rehabilitation, Reconstruction and Emergency Repair

The City will not enter into a contract agreement with any contractor selected to perform work for a rehabilitation project. The owner-occupant or the non-profit partner will select the contractor and make an agreement for the work to be performed.

Any contractor participating in the owner occupied rehabilitation, reconstruction or emergency repair activities must have general liability insurance in place for the term of the home warranty.

Additional Information in relation to Owner-Occupied Rehabilitation, Reconstruction and Emergency Repair

Secondary Structures

If a home that is being assisted has a **residential** secondary structure on the lot, a determination will be made on a case by case basis by the appropriate City Department Director and/or Urban Affairs Council Committee on how to address that structure. If the secondary structure does not meet any previous or current building code standard, then water, gas, electric and sewer lines to the structure must be cut. Secondary structures will not be rehabilitated using HOME or CDBG funds.

? What is a "secondary structure"? A secondary structure can be a detached garage, work shed or small residential structure on a single family lot that is intended for residential use.

Waiting Lists

No entity which is implementing an owner-occupied rehabilitation, reconstruction or emergency repair program funded by or through the City will be allowed to maintain a waiting list with a number of clients that exceeds 115% of the year's allocation to that project activity. For example, if the agency's average single family rehabilitation project costs \$50,000 and an agency is allocated \$450,000 in one year for owner occupied rehabilitation, that agency may not have more than ten families on its waiting list at one time. This applies to City department as well as outside agencies. This provision is based on the agency or department budget for its projects and allows agencies to have projects ready for subsequent year start-ups in the beginning of the fiscal year. The City, however, does not guarantee subsequent years funding and the agencies/departments must make that clear to all applicants. There should be **no commitments** beyond 100% of the annual funding.

The City will not allocate funding to any agency or City Department, which has more than two years of uncommitted CDBG and/or HOME funds on its books. This rule applies to each specific activity/program. If the agency has more than two years of CDBG/HOME funding, it must demonstrate strong evidence of commitment or extenuating circumstances that have caused a delay in expending funds. In that instance, an agency may be considered for additional funding.

Monitoring

The agency or City Department implementing a rehabilitation program will be required to send out a yearly inquiry form each year to assisted property owners. If the completed survey form is not returned to the agency, that will trigger an investigation into the status of the title for the assisted property.

Homebuyer Programs

HOME and CDBG funds may be used to assist families in purchasing homes. Funds can be used to assist families who are purchasing homes for the first time or families who have previously owned homes.

Assistance for First Time Homebuyers

The following rules apply to **First Time Homebuyer** programs that are operated by the City and its non-profit partners.

Applicant Eligibility

Applicants to First Time Homebuyer programs must meet the following criteria:

- Applicant's projected annual income must not exceed 80% of the Area Median Income, adjusted for household size, at the time of application to the program.
- Applicant must have acceptable credit.
- Applicant household must be U.S. Citizens or legal resident aliens.
- Home to be purchased must be primary residence of applicant.
- Home must be in the city limits of San Antonio.
- Purchaser must attend a certified homebuyer counseling class.
- Applicant must make a minimum initial cash investment of \$500 toward purchase of home.
- Home must have been constructed legally and meet City Code requirements.

COSA First Time Homebuyer Criteria

The following criteria must be met in order to be considered a "First Time Homebuyer":

- Applicant has not owned a home during the three year period immediately prior to application

Following are exceptions to the "three year" rule: **displaced homemakers** (an adult, 21 years of age or older who has not worked full time in the labor force for a number

of years, but has during those years worked primarily as a homemaker, who is unemployed and experiencing difficulty in obtaining employment) or **single parents** (an individual who is unmarried or legally separated from a spouse and who has custody of one or more minor children, or someone who is pregnant at the time of application).

Other exceptions to this criteria based on special circumstances can be appealed to the City Council Urban Affairs Committee.

Eligible Properties

The property can be privately or publicly owned prior to sale to the first time homebuyer. The property must be within the San Antonio city limits.

The property must contain adequate living/sleeping space for the applicant household as verified by the property appraisal, site visit, and/or Bexar Appraisal District Data.

The property can be an existing property or it may be newly constructed.

The property can be:

- a single-family property (one unit)
- a two to four unit property (Assistance will only be provided for the unit to be occupied as the purchaser's principal residence)
- condominium or cooperative unit

Special Provision:

The property may be a modular home **with City Council Approval**.

Property Standards

All properties must meet City Building Codes and other federal standards (Lead Based Paint and Environmental standards) at the time of initial occupancy.

Property Value

All first time homebuyer projects require an appraisal.

The appraised value of an assisted property to be acquired by a first time homebuyer cannot exceed the FHA 203(b) limit for San Antonio. This limit is updated annually (See Appendix 4). The sales price of an assisted property may not exceed the "Affordable Home Price" established by the San Antonio City Council (See Appendix 5).

Credit Standards

Following are the credit standards for homebuyer programs:

- 12 month current payment history for rent and utilities will be the standard. No more than one late payment in a year's time will be accepted.
- No bankruptcy within the following timeframe:
 - For Chapter 7: Must be five (5) years from discharge
 - For Chapter 13: Must be two (2) years from discharge

Predatory lending is not acceptable. Loans will not be made with an interest rate more than 2% above the prevailing market rate.

? *What is "Predatory Lending"?* Predatory Lending describes lending practices that take advantage of clients by charging usurious interest rates or excessive fees and penalties.

Repayment Requirements

Assistance will be repaid at an interest rate of **3%**. If the homebuyer is not able support the entire second lien note at 3%, any portion that cannot be repaid will become a perpetual lien against the property. That amount will be repaid to the City upon sale or transfer of the property.

The interest rate can be changed with approval of the Urban Affairs Council Committee if an entity can demonstrate the following:

- Variance in interest rate allows second lien notes to be sold on the secondary market.
- Project uses significant private sector leverage.
- Agency has an effective loan-servicing program.
- Agency has a homebuyer education program that uses a recognized Homebuyer Education curriculum with a certified Homebuyer Education instructor.
- Agency has an existing loan underwriting regimen.

Eligible Expenses

First Time Homebuyer programs may include any of the following activities: land acquisition, mortgage subsidy, principal reduction, down payment and closing cost assistance. Please refer to Appendix 8 for allowable down payment and closing costs.

Counseling Requirements

Pre-Purchase Counseling:

All First Time Homebuyer programs funded with City HOME or CDBG funds must have a pre-purchase counseling component. Applicants must complete the course prior to the loan closing date. The course must be a recognized homebuyer education curriculum taught by an individual that has been certified to conduct homebuyer counseling.

Post Purchase Counseling:

Clients who have a front or back end ratio higher than 50% at the time of closing **must** receive post purchase counseling to increase the likelihood of their success as a homeowner. Such counseling must be completed within six months after the closing date.

? *What is a "Front End Ratio" and a "Back End Ratio"?* These ratios are used to determine how much an applicant can afford to pay each month for their mortgage in relation to the amount of existing debt the applicant already has.

Affordability Periods

The residence must remain affordable for a certain period of time, which is dependent on the amount of HOME or CDBG funds invested.

Amount of Funds Invested	Required Affordability Period
Less than \$15,000	5 Years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

If the house is sold before the required affordability period has elapsed, the assistance funds must be recaptured or the house may be sold to another eligible low income homebuyer and the subsidy transferred.

Assistance for Previous Homeowners

With the approval of the Urban Affairs Council Committee, HOME and CDBG funds can be used to assist families who have previously owned homes and are not classified as a "First Time Homebuyer". Unless otherwise authorized, **this assistance**

will only be available in areas identified by the City Council as target areas. All income limits, underwriting standards, credit requirements, property standards, and affordability periods still apply. The Urban Affairs Council Committee may adopt additional rules to ensure that the homebuyer remains in the home for a certain number of years. This program will provide an incentive for families to purchase homes in designated revitalization areas.

Rental Housing Programs

HOME and CDBG funds may be used to build or rehabilitate affordable single and multi-family rental housing. Transitional and permanent rental housing are both eligible for HOME funding.

RENTAL REHABILITATION PROJECTS

The following guidelines apply for Rental **REHABILITATION** programs and activities. This activity may be implemented by the City of San Antonio or by any non-profit or for profit partner.

Eligibility:

To be eligible for CDBG or HOME funded Rental Rehabilitation Program assistance, the proposed rental property must meet all of the following basic criteria:

- Single-family (1-4 units) or multi-family (5 or more units) rental dwelling located within the San Antonio City limits.
- Structure requires rehabilitation, at a minimum cost of \$5,000, of at least one primary system (i.e.: foundation, electrical, plumbing, roof) to resolve code deficiencies.
- The after-rehabilitation rents required to effectively support the property, including the additional rehabilitation project debt service, must be:
 - ⇒ Reasonable in terms of bedroom size, and in accordance with the standard, fair market rate rents for the target neighborhood, or HUD current Section 8 Rental limits, whichever is the lesser; and
 - ⇒ Affordable to lower income tenants (residents at 80% of the area median income) in accordance with HUD Section 8 current Income Guidelines, without further public rental assistance to the family.
- Owners must exhibit a cash equity participation of at least 10% in the rental property proposed for rehabilitation.

Preference will be given to those projects meeting any of the following criteria:

- Units contain two or more bedrooms.

- Property is located within Loop 410.
- Property requires moderate rehabilitation.
- Property is not located within a designated 100-year flood plain.
- Property is not located within one (1) mile of an above ground hazard of other environmental conditions, which may impose a major threat to public health or safety.

What is "Moderate rehabilitation"? Moderate rehabilitation is when the cost of repairs does not exceed \$25,000.

Loan Terms

Single-Family Dwellings (1-4 units)

Owners of single-family dwellings are eligible for the 50/50 Combo Loan. The loan includes an "earned forgiveness" to offset costly environmental hazards such as lead-based paint. Those environmental costs are subtracted from total rehabilitation expenses. The owner does not have to repay the environmental related cost as long as they comply with program guidelines. The remaining repair costs will be split with the owner. 50% of the cost is offered as a public loan over ten years, interest free, with deferred payments.

Multi-Family Dwellings (5 or more units)

Assistance for owners of multi-family rental property can be provided in the form of a low-interest 5% repayable loan. The public loan will not exceed 50% of the total cost of rehabilitation. The owner must secure the remaining 50% through alternative sources of financing (i.e. private lender). The public loan is limited to only the amount needed to fully fund the required rehabilitation work, not to exceed:

\$12,500/unit – Efficiency or 1 Bedroom

\$15,000/unit - 2 Bedroom

\$17,500/unit - 3+ Bedroom

Amount of CDBG or HOME funds	Minimum Period of Affordability
Under \$15,000	Five (5) years
\$15,000 - \$40,000	Ten (10) years
Over \$40,000 or rehabilitation involving refinancing (special circumstances only)	Fifteen (15) years
New construction of Rental Housing	20 years

The Period of Affordability applies to both single-family and multi-family projects.

What is the ‘Period of Affordability’? This is the length of time during which the property must be rented to a low income resident at a rent at Fair Market rate (as determined by HUD) or below.

Conditions of all public loans include:

- 1). The property remains residential rental property under the existing ownership for the entire loan term. If the property is transferred by any means during the loan term, the remaining unforgiven portion, plus interest based on the existing market, will become immediately due and payable;
- 2). The owner maintains the property according to the San Antonio Uniform Building Code and agrees to allow City personnel to annually inspect the property; and
- 3). The Owner provides evidence of having paid annual property taxes and having secured fire and extended insurance coverage for the property.
- 4). Owners must annually provide the City of San Antonio with the information on rents and occupancy of HOME-assisted units to demonstrate compliance with the affordability rent requirements.
- 5). The owner will maintain reserves for maintenance.
- 6). No second time assistance is allowable. (Properties that were previously assisted will not be eligible for additional funds.)

The public loan will be secured by a lien on the property. The lien position will be no less than a second, except upon approval of the appropriate City Department Director, subordinate only to a private financial institution’s superior lien for a loan in a greater amount. The City may also require additional security for its loan, including, but not limited to, a first lien position on other investment property of the owner, as well as personal and/or corporate guarantees, if it is necessary to secure the loan.

The terms of payment will continue throughout the entire term of the note, provided the borrower complies with each and every term and condition of the loan documents. If the borrower does not comply, or if the borrower at any time defaults under the terms of the note, interest on the unpaid principal will thereafter:

- (a) accrue at the highest non-usurious rate allowed by law, and
- (b) be immediately payable in addition to the entire outstanding principal amount.

Underwriting Standards

The rental property to be rehabilitated under this program must be financially solvent, based on the standard market criteria, without requiring further infusion of public funds. Therefore, the after-rehabilitation rent revenues must be sufficient to support all operating costs, debt service, and reserve accounts, without unduly increasing rent rates, or securing additional public subsidy. To this effect, a complete pro forma analysis will be completed for each project. In addition to the program application, the owner will be required to provide documentation for the following:

- Proof of ownership of the property to be rehabilitated (Warranty Deed, Mortgage Title Policy, Earnest Money Contract).
- Annual cost of property insurance (copy of annual premium statement).
- Annual property taxes for this property, and proof that all taxes are current.
- Mortgage payment schedule for all existing liens, and proof payment is current (annual mortgage statement, original mortgage agreement, and/or monthly bank statement clearly indicating debt service payment).
- Annual utility costs (copies of utility bills).
- Property's current appraised value.
- Recent Financial Statement
- Recent Income Statement
- Bid for Construction

The loan underwriting pro forma analysis will also include a vacancy factor (5-10%), property maintenance costs (8-10%), property management expenses (3-10%), a reserve for replacement (3% minimum), and owner's return on investment (5-15%). The project pro forma analysis must clearly exhibit uncommitted funds sufficient to fully support the total rehabilitation cost.

Loan Conditions

As a condition of the public sector Rental Rehabilitation Loan, property owners must agree:

- To rent these properties in accordance with Affirmative marketing standards and the current HUD Section 8 rental income guidelines for the

Period of Affordability, and the federal equal housing opportunity requirements in accordance and the Fair Housing Act.

- Not to discriminate on basis of race, religion or national origin.
- Not to discriminate against lower income prospective tenants, solely on the basis of their receipt of Section 8 Housing assistance support.
- Not to convert the property to condominiums for the duration of the public note.
- To maintain the property in a safe, sanitary and decent condition, in compliance with the City of San Antonio Building Codes throughout the term of the public sector note.
- To provide evidence of having paid annual property taxes and secured fire and extended insurance coverage for the property.
- Comply with Annual Re-certification of tenant's annual income.
- Follow applicable procurement procedures in accordance with Federal Regulatory Guidelines 24CFR Part 58.36.
- To adhere to Lead-Based Paint Abatement guidelines for all properties built 1978 and before.
- To a property inspection one (1) year after the rehabilitation and every two (2) years thereafter during the period of affordability. The owner must agree to cooperate with and assist in this inspection effort, and to resolve all deficiencies cited within the designated correction period allotted.
- To pay real property taxes and maintain adequate fire and extended coverage insurance with City named as co-insured on the subject property for the full term of the loan. The City will require owner to provide documentation of tax payment and insurance coverage on an annual basis.

? What is "Annual Re-certification of income"? Each year the property owner must document the income of the tenant by reviewing documents such as W-2's, pay stubs, etc. in order to ensure that their income meets the low income requirements.

Failure to comply with any of the conditions outlined above will constitute a default of the public sector loan, requiring the balance to become immediately due and payable.

During the term of the public sector loan, if the property is sold, or ownership transferred through any means, then the balance of the note then owing, including the remaining deferred forgivable portion is immediately due and payable in full.

For HOME projects: A determination of fixed or floating HOME units must be made at the time of Loan commitment. Fixed units remain the same throughout the period of affordability. Floating units are changed to maintain conformity so that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size,

features, and number of bedrooms to the originally designated HOME-assisted unit.

Loan Closing

The property owner will be required to provide the following items for loan closing:

- An after-rehabilitation appraisal of the property showing the appropriate value relative to the proposed loan.
- Acceptable Commitment for Title Insurance Policy showing the City's interest in the total amount of the City's Deferred Payment Loan.
- Credit Reports on all property owners.
- List of all real property assets and their value.
- An acceptable bid from an approved contractor. The approved contractor must be licensed, and provide proof of appropriate insurance coverage, covering the total cost of the rehabilitation work and including, but not limited to worker's compensation, general liability, and personal liability.
- Copy of the insurance policy for fire and extended coverage for 80% of the value of the property with City named as co-insured.

Permitted Rehabilitation Program Costs

CDBG or HOME funds will be used to support only the following eligible costs:

- Actual rehabilitation costs necessary to correct substandard conditions to comply with the City of San Antonio Building Codes, federal environmental conditions standards, and federal lead-based paint abatement requirements.
- Essential improvements including energy conservation-related repairs, and improvements to permit use of the rehabilitated units by persons with disabilities.
- Repairs to major building system in danger of failure.
- Costs, generated by the public sector, for processing and closing the financing for the project, such as: credit reports, fees for title evidence, fees for recordation and filing of legal documents, attorney's fees, permits, and appraisal fees.

- Cost for the relocation of tenants currently residing in the property at the date of initial application, who must be temporarily or permanently displaced as a direct result of the rehabilitation activity.

Lead-Based Paint

The U.S. Department of Housing and Urban Development has instituted new rules in relation to lead-based paint hazards. The following requirements apply to Rehabilitation Programs. The required Lead Activity is based upon the amount of CDBG or HOME funding invested in the rehabilitation project.

	<\$5,000	\$5,000 to \$25,000	>\$25,000
Approach to Lead Hazard Evaluation and Reduction	Do no harm	Identify and control lead hazards	Identify and abate lead hazards
Notification	Yes	Yes	Yes
Lead Hazard Evaluation	Paint Testing	Paint Testing and Risk Assessment	Paint Testing and Risk Assessment
Lead Hazard Reduction	Repair surfaces disturbed during rehabilitation	Interim Controls	Abatement (Interim controls may be used on exterior surfaces not disturbed by rehabilitation)

For additional information, please refer to Part 6 of this manual.

NEW CONSTRUCTION RENTAL PROJECTS

The following rules apply for **NEW CONSTRUCTION** rental programs and activities. This activity may be implemented by the City's non-profit or for profit development partner. HOME funds can be used for new construction as well as rehabilitation. CDBG funds cannot be used for new construction.

Eligibility

HOME funds may be used to construct a variety of rental units: single family, high-rise or garden apartments. Projects may be mixed income or 100% low income.

Applicants must demonstrate the ability to successfully complete and maintain a newly constructed affordable rental housing development.

All HOME assisted units must benefit residents earning 80% of the Area Median Income or below.

Permitted New Construction Costs

The following costs may be reimbursed with HOME funds:

Hard Costs	Soft Costs
Land and Structure Acquisition	Financing Fees & credit reports
Site preparation, including demolition	Affirmative marketing, initial leasing & marketing costs
Securing Buildings	Title binders and insurance
Construction Materials and Labor	Performance bonds and surety fees
	Recording fees
	Legal & accounting fees
	Appraisals
	Soft Costs Continued
	Environmental reviews
	Staff and overhead costs related to project
	Operating deficit reserves (up to 18 months)
	Builders or developers fees

Loan Terms

The loan terms will be negotiated between the builder/developer and the City and based on the pro forma.

Leverage

For new construction, the City will support a maximum funding gap of **25%** of the total development cost. Exceptions to this rule may be applied to projects meeting a Special Need (such as construction of transitional housing, elderly developments, housing for persons with AIDS, persons with disabilities, or housing for the mentally challenged.) The City will also consider waiver of this requirement for City pilot programs. The City Council's Urban Affairs Committee will approve these exceptions.

Underwriting Standards

Prior to approval of funding support, developer must provide a valid pro forma, demonstrating funding commitment from all funding sources and the capacity to support all debt service during the period of affordability for HOME funded

projects. A current income statement and balance sheet reflecting Total Assets to Total Current Liabilities liquidity ratios that are no greater than 1:1 is the City's standard to ensure the developer has adequate resources to support the project in the event of a commitment failure.

Other Requirements for New Construction Projects

Affordability Period

- All newly constructed rental projects must remain affordable for a period of twenty (20) years.

Collaboration

- New construction developments must have demonstrated an attempt to collaborate and secure support from organized neighborhood associations (in the area where development is to occur), school districts, and approval of local statutes for zoning and variances required to effectively develop within a targeted area. Additionally, City staff will require that some attention is given to the provision of social and community amenities to meet the needs of the population to be served.

Commitment

- Firm Commitment of all funds must be demonstrated before City staff will recommend a funding award. If low-income housing tax credits or other public funding is part of the funding design, the City may conditionally approve funding until the other funding round is completed. If the applying entity does not receive the funding commitment, HOME funds will be reprogrammed until the applying entity is able to reapply for tax credits or other funds and receive a letter of approval from the State or other entity. Exceptions to this rule may be granted if CDBG funds have been allocated to support infrastructure improvements at the site or if other arrangements for funding have been made. The appropriate City Department Director with the approval of the City Manager may grant these exceptions.

Additional Requirements for ALL Rental Housing Projects

The following applies for **both** rental rehabilitation and new construction projects funded with HOME or CDBG:

Maximum Subsidy Per Unit

The maximum amount that can be spent for **rehabilitation** of a **single-family** rental house is \$25,000 per unit.

The maximum for **rehabilitation** of a unit in a **multi-family** development is:

Eff./1BR	2BR	3R+
12,500	15,000	17,500

The maximum that can be spent for **new construction** of a **multi-family** rental unit is:

OBR/EFF	1BR	2BR	3+BR
51,330	58,840	71,549	\$89,000

Tenant Selection/Eligibility

An owner of rental housing assisted with HOME or CDBG funds must adopt written tenant selection policies and criteria that:

- are consistent with the City's goal of providing housing for very low-income and low-income families;
- are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;
- provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- give prompt written notification to any rejected applicant stating the grounds for the rejection.

Income Eligibility and Re-certification


Tenant incomes must be re-certified annually and verified with source documents every six years. If the income of a household in an assisted unit rises above 80% of Area Median Income, the household may continue to rent the unit and the household must pay monthly rent equal to the lesser of:


The rent permitted by state law; or

- 30% of the family's adjusted monthly income at annual re-certification.
- If the project was financed with Low Income Housing Tax Credits, the tax credit rent prevails.

Acceptable Rents for HOME Projects Only

The HOME program has established rules in relation to acceptable rents. There are two rent standards: High HOME Rent and Low HOME rent. For properties with five (5) or more HOME assisted units, at least 20% of the units must have rents that meet the “Low HOME” criteria.

 **High HOME Rent:** lesser of the Section 8 Fair Market Rents (See Appendix 2) for existing housing OR thirty (30) percent of the adjusted income of a family whose annual income equals 65% of the area median income.

 **Low HOME Rent:** Thirty percent of the tenant's monthly adjusted income OR thirty percent of the annual income of a family whose income equals 50% of the area median income.

Tenant Based Rental Assistance

Only HOME funds can be used to fund Tenant Based Rental Assistance (TBRA) programs. This is not an eligible activity under the Community Development Block Grant (CDBG) Program.

Eligible Uses

TBRA may be provided to:

- Families selected from the Public Housing Authority's Section 8 Waiting List
- Eligible, in place residents of a rental project being rehabilitated under the HOME program
- Other special needs clients identified by an agency working on behalf of the City of San Antonio

TBRA may assist eligible clients with the following housing costs:

- Rent AND
- Utility costs
- Security deposits
- Utility deposits

Utility deposits, utility payments and security deposits may only be provided to clients who are also receiving rental assistance.

TBRA payments will be provided by making payments directly to an agency working on behalf of the tenants or directly to the landlord. No payments will be made directly to the tenant household.

Prohibited Uses

- City of San Antonio HOME TBRA funds may not be used to assist tenants in conjunction with homebuyer programs, including lease purchase programs.

Income Targeting And Tenant Eligibility

All HOME funds used for Tenant Based Rental Assistance must assist families at **60%** of the Area Median Income and below.

The only exceptions to the above rule are tenants who reside in rental projects being rehabilitated through the use of City HOME funds. Those tenant's incomes may reach, but not exceed, 80% of Area Median Income.

Eligible Units

Eligible tenants may rent any housing that meets the following criteria:

- Located in San Antonio City Limits
- Meets Section 8 Housing Quality Standards
- Reasonable rents are charged
- Are not public housing projects, or receiving project based federal assistance

Subsidy Amounts And Tenant Contribution

Maximum Subsidy: Maximum assistance that can be provided is the difference between 30% of the household's adjusted monthly income and the payment standard (Fair Market Rent – See Appendix 3).

Minimum Tenant Contribution: All tenants are required to pay 30% of their monthly adjusted income, or \$20.00 per month, whichever is greater.

Length of Assistance: Assistance will not be provided for a period of time longer than two years.

Other Tenant Requirements

Agencies administering TBRA programs **may** require tenant participation in a self-sufficiency program as a condition of rental assistance.

A legitimate, legal lease is required for program participants.

Income Re-Certification

Income of tenants receiving HOME tenant based rental assistance must be re-certified on an annual basis, at a minimum. City staff may require re-certification of tenant income at any time, at the City's discretion, if it appears that a tenant's income has changed substantially during the contract term. If the tenant's income exceeds 80% of Area Median Income, HOME assistance must be terminated.

Payment Standard

The HOME payment standard will be the Fair Market Rent, annually established and published by the US Department of Housing and Urban Development (See Appendix 2).

Termination of Assistance

HOME assistance may be terminated if the following occurs:

- Household's income exceeds 80% of Area Median Income;
- Household is evicted from the approved unit by owner for cause;
- After receipt of two official notices requesting cooperation in the re-certification process, the household is unresponsive and uncooperative.

In all cases above, thirty days notice of the termination must be provided to the tenant and landlord.

Maximum Program Benefits

This portion of the document outlines the maximum allowable benefit for each of the activities outlined in Part One.

In order to maximize the dollars available from Community Development Block Grant (CDBG) and the Home Investment Partnership Program (HOME) funds, the City has established maximum levels of assistance for each of the activities eligible under the two programs.

Policy Direction:

Housing Master Plan Objective 5.1: Assist a larger number of clients through benefit caps.

Housing Master Plan Recommendation: “Optimize the use of CDBG and HOME funding through the establishment of maximum benefit levels for housing programs.”

<u>Activity</u>	<u>Maximum Benefit Per Client/Family</u>
• Homeownership Incentive Program	\$8,000
• Homebuyer Program (Program can include any of the following activities: Principal Reduction, Mortgage Subsidy, Land Acquisition, Development Cost Subsidy for New Construction/ Homeownership)	\$25,000 \$10,000 maximum land subsidy; \$8,000 maximum down-payment assistance subsidy; \$7,000 maximum for other forms of subsidy
• Single-Family Rehabilitation	\$50,000 (No more than \$37 per square foot)

<u>Activity</u>	<u>Maximum Benefit Per Client/Family</u>
• Single-Family Reconstruction	\$47 per square foot PLUS site preparation, demolition and environmental remediation costs (May be adjusted yearly) up to single family affordable home price limit.
• Single-Family Rental Housing Rehabilitation	\$25,000
• Multifamily Rental Housing Rehabilitation	Up to \$15,500 for Efficiency/1BR Up to \$17,500 for 3+ BR
• Multifamily Rental Housing New Construction	Up to \$51,330 for Efficiency Up to \$58,840 for 1BR Up to \$71,549 for 2BR Up to \$92,559 for 3BR Up to \$101,602 for 4BR

Funded entities have the flexibility to decide whether a particular income eligible client will receive the maximum benefit allowable based on the applicants needs and ability to repay, or the agency's program design.

Lead-Based Paint: Any assistance to a developer or homeowner to eliminate or alleviate lead-based paint hazards will be provided as a grant, up to \$15,000 per unit.

Accessibility modifications: Any assistance to a developer or homeowner to fund modifications for accessibility (ADA) will be provided as a grant.

Please note that the maximum subsidies do not include the following: lead based paint assistance (up to \$15,000); funds for ADA modification; weatherization grants, and funds for environmental remediation.

? *What does "Principal Reduction" mean?* – "Principal Reduction" is when the principal amount of a mortgage loan (does not include interest) is reduced for a low income homebuyer in order to make the home purchase more affordable.

? *What does "Mortgage Subsidy" mean?* – "Mortgage Subsidy" makes a home more affordable to a low income homebuyer by reducing the amount of the mortgage loan required from the bank. It is similar to "principal reduction".

- ? *What does “Reconstruction” mean?* – “Reconstruction” means that an old structure, which is not feasible for rehabilitation, is demolished and a brand new house is built on the same lot.
- ? *What does “Development Cost Subsidy” mean?* – “Development Cost Subsidy” are funds that are provided to a developer of newly constructed homes to help pay for some of the costs associated with making the land ready for construction. The result should be a lower priced home for the homebuyer.

Maximum program benefits will be revisited and updated on an annual basis. Staff will review the established maximums and revisit them based on inflation, cost of construction materials and other market conditions. Staff will recommend changes to the Urban Affairs Council Committee. The UACC will adopt the changes to these benefits. Any changes made will go into effect starting with the next Fiscal Year so that ongoing programs will not be disrupted.

General Program Rules

This portion of the manual recaps general rules that apply to all housing activities.

The following rules apply for all housing programs funded with City of San Antonio CDBG and/or HOME funds.

Income Eligibility

For CDBG, if a project directly benefits a person or family, they must be low or moderate income (below 80% of Area Median Income). For CDBG projects that do not directly benefit an individual, a minimum of 51% of the project beneficiaries must be low to moderate income. For the HOME program, all program participants must have incomes at 80% of the Area Median Income or below, as established by HUD. In certain special circumstances, CDBG funds can assist persons who are up to 120% of the Area Median Income. (Please refer to Appendix 2 for current income limits.)

Acceptable Credit

All households that are assisted must have acceptable credit. Acceptable credit is defined as follows:

- 12 month current payment history for rent and utilities will be the standard. No more than one late payment in a year's time will be accepted.
- No bankruptcy within the following timeframe:
 - For Chapter 7: Must be five (5) years from discharge
 - For Chapter 13: Must be two (2) years from discharge

Families who have outstanding abstract judgments may not be assisted.

Affordability Periods

Properties that are assisted will be required to remain affordable for a period of time dependent on the amount of funding invested.

Amount of CDBG or HOME funds	Minimum Period of Affordability
Under \$15,000	Five (5) years
\$15,000 - \$40,000	Ten (10) years
Over \$40,000 or rehabilitation involving refinancing (special circumstances only)	Fifteen (15) years
New Construction of rental housing	20 years

Location of Properties

All properties must be located inside the established legal limits for the City of San Antonio.

Residency Requirement

All households that are assisted must be United States Citizens or Legal Resident Aliens. Each contributing member of the household must meet this requirement.

Environmental Review Requirements

Any housing provided through CDBG and HOME must be safe for its residents. The Housing and Community Development Department requires an environmental review of each property to ensure that it meets this criteria. For larger projects, a Phase I Environmental Assessment will be necessary. For every project, a Site Specific Environmental Review Form must be submitted for approval to the Housing and Community Development Department. (Note, submission of Phase I ESA does not eliminate requirement for Site Specific ERR).

Application Guidelines

This portion of the manual outlines the application process for seeking CDBG and HOME support for affordable housing projects.

AN application demonstrating the capacity to implement the proposed project is necessary for consideration for CDBG or HOME funding. While City staff reviews the applications and makes recommendations, the City Council makes the final decision on the allocation of funds.

Policy Direction:

Housing Master Plan Objective 5.3: Establish a formal process for the evaluation of proposals.

Housing Master Plan Recommendation: “Create a formal request for proposal and evaluation guidelines that would steer the process of awarding and distributing CDBG and HOME funds”

The City’s Department of Housing and Community Development is responsible for accepting and evaluating all applications and proposals for the use of CDBG and HOME funds, **including the HOME CHDO set aside funds.**

? *What are “HOME CHDO set aside funds”?* – HUD has mandated that a minimum of 15% of the city’s annual HOME allocation be reserved for use by Community Housing Development organizations or CHDO’s.

An application must be submitted in order for a project to be considered for CDBG or HOME funding. Generally, applications are called for early each calendar year for projects to be funded in the next fiscal year. Please contact the Department of Housing and Community Development for the most current application.

Housing and Community Development staff will review all applications submitted, rate them and provide recommendations to the City Council, upon approval of the City Manager’s office. The recommendations will be based on the applicant proposal

scores. **The City Council makes all final decisions on allocation of CDBG and HOME funds.**

Applications will be evaluated and rated based on the following criteria:

- Responsiveness to the application format and content
- Extent of partnerships and collaboration
- Budget
- Applicant Capacity

Scores will be based on a 100-point scale. A minimum score of 70% is required for staff to recommend the project to the City Council for consideration for funding.

With approval from the Urban Affairs Council Committee, the Housing and Community Development Department may issue a request for qualifications (RFQ) for developers to implement a specific City driven project leveraging private dollars with CDBG and/or HOME funds.

The City will not allocate funding to any agency or City Department that has more than two years of uncommitted CDBG and/or HOME funds on its books. This rule applies by specific activity. If the agency has more than two years of CDBG/HOME funding, it must demonstrate strong evidence of commitment or extenuating circumstances that have caused a delay in expending the funds. In that instance, an agency may be considered for additional funding.

? What does “commitment” mean? – Commitment means that an agency will be ready to expend funds or make significant progress on a project within a three to six month timeframe or that the project has been “set-up” in the HUD IDIS system.

Community Housing Development Organizations (CHDOs)

This portion of the manual outlines the requirements and expectations for City of San Antonio Community Housing Development Organizations.

One of the goals of the Home Investment Partnership Program (HOME) is to expand the capacity of non-profit housing providers. In order to ensure the accomplishment of this goal, HUD requires that 15% of the HOME allocation each year be made available to Community Housing Development Organizations (CHDOs). HUD has established minimum criteria for eligibility as a CHDO. In addition, the City has established criteria to ensure that the goals established in the Housing Policy Guide can be accomplished.

Policy Direction:

Housing Master Plan Objective 1.3: Support non-profit housing providers through the provision of capacity building and technical assistance.

Non Profit organizations seeking CHDO status must meet the following criteria:

1. LEGAL STATUS

- a) Evidence of organization as a non-profit under state and local law;
- b) No part of net earnings benefit any member, founder, contributor or individual;
- c) Evidence of IRS 501(c) Tax Exempt status;
- d) Evidence of purpose to provide decent affordable housing to low and moderate income families (Organization's strategic plan must include an affordable housing initiative.);

2. CAPACITY

- a) Conforms to financial accounting standards as defined in OMB Circular A-133;
- b) Demonstrated capacity to carry out activities proposed with HOME funds;
- c) History of serving the community where assisted housing is to be provided with HOME funds. Organization must show evidence of operating in San Antonio for at least three years prior to CHDO application.

3. ORGANIZATIONAL STRUCTURE

- a) Maintains 1/3 of its governing board membership from residents of low-income neighborhoods or low income neighborhood organizations in San Antonio;
- b) At least $\frac{3}{4}$ of board members must reside in the San Antonio MSA;
- c) Provides a formal process for low income potential program beneficiaries to advise the organization in all phases of the development of HOME assisted projects including siting, design, development and management decisions;
- d) CHDO may only have a maximum of 1/3 of its board members consist of representatives of the public sector. A representative of the public sector is elected official, appointed public official, public employee, or an individual is appointed by an public official. Representatives of the public sector appointed by an public official may not select the other 2/3 members of the board, such that more than 1/3 of the members can be traced back to public officials;
- e) A CHDO sponsored or created by a for-profit entity may not have more than 1/3 its board membership appointed by the for-profit entity, and the board members appointed by the for-profit may not, in turn, appoint the remaining 2/3 of the board membership.

4. RELATIONSHIP WITH FOR-PROFIT ENTITIES

- a) CHDO is not controlled or under the direction of for-profit entities or individual seeking profit from the organization;
- b) CHDO is free to contract for goods and services from vendors of its own choosing.

5. SERVICE AREA

- a) Applicant must provide a description of proposed site for development or service area boundaries;

- b) Service area and proposed projects must be within the city limits of the City of San Antonio.

Please note, CHDO partnerships are allowable. For example, a local CHDO can partner with an agency/developer that is not based in San Antonio to do a project. Or a local CHDO can sponsor an outside CHDO on a specific project.

CHDO Certification Process

Applicants must submit the necessary materials to meet the criteria outlined above to the Housing and Community Development Department in order to be considered for CHDO status (See checklist in Appendix 7). Applications will be accepted by the Housing and Community Development Department in **September** of each year, unless otherwise noted. A Request for Qualifications will be issued. If CHDO designation has already been secured, it must be updated each year. A CHDO must apply for re-certification each year in order to continue to be a CHDO in good standing. Re-certification will occur in September. CHDOs will be notified by the Housing and Community Development Department.

Applying for CHDO Set Aside Funds

Eligible CHDOs may apply to the City Department of Housing and Community Development. The Housing and Community Development Department will allocate a minimum of 15% of the HOME allocation for CHDOs to perform CHDO eligible activities. To be considered a “CHDO Activity”, the CHDO must own, develop, or sponsor the housing project. All applications for CHDO funds must demonstrate adherence to goals outlined in the Housing Master Plan and the City of San Antonio Consolidated Plan.

Lead-Based Paint Requirements

This portion of the manual outlines the requirements in relation to Lead-Based Paint.

The U.S. Department of Housing and Urban Development recently adopted new regulations in relation to the treatment of Lead Based Paint in properties built before 1978, that are assisted with HUD funding. The requirements are outlined below based on the activity undertaken. To obtain a copy of the rules from HUD, go to the HUD website at: www.hud.gov/lead and download the regulation.

This section does **not** outline the City programs that are available to provide financial assistance in relation to lead abatement. Please contact the City's Neighborhood Action Department for that information. **Please note, however, that any financial assistance provided by the City to address lead based paint will be in the form of a GRANT to the homeowner or developer, up to \$15,000 per unit.**

For Down-Payment Assistance Programs:

The following are HUD's **requirements**:

See 24 CFR part 35 (subpart K)

- Distribute Lead Hazard Information Pamphlet and Disclosure to buyers of homes built prior to 1978.
- Perform Visual Assessment of all painted surfaces.
- If Visual Assessment reveals deteriorated paint, action must be taken to stabilize each deteriorated paint surface.
 - At this point, you will have to assume every component has lead since the Visual Assessment does not determine where lead is present. Safe work practices must be used by trained worker in this field. Paint stabilization works well on non-friction surfaces such as walls (interior/exterior). When dealing with friction points such as windows and doors, abatement procedures (removal, replacement, enclosure) are recommended.

- After paint stabilization, clearance must be performed by a certified Risk Assessor or Lead Inspector. HUD has established lead levels that meet clearance requirements.
- Notify the homebuyer within 15 days of results of clearance exam.

At the Visual Assessment Stage, the homebuyer *may opt* for a lead test. This will reveal the levels of lead present in the home. A lead inspection will not tell you the risk involved, but only where the lead is located. This is when a buyer may request a Risk Assessment to outline the necessary Lead Hazard Reduction methods needed to insure a lead safe residence.

Following are some options (NOT REQUIREMENTS) to consider in relation to your program design for downpayment assistance programs:

- If the **visual assessment** reveals defective paint in which stabilization and clearance is required then this cost can be funded by the nonprofit or the homebuyer or seller.
- If **visual assessment** shows no deterioration of a painted surface, the homebuyer can sign a waiver stating that they are aware of the potential presence of lead paint and they choose not to address it.
- A qualified consultant should advise on any lead inspection, lead hazard screen or risk assessments.

For Rehabilitation Programs (Owner-Occupied, Homebuyer, and Rental Property Rehabilitation Programs)

See 24 CFR Part 35 (subpart J)

If you are implementing a rehabilitation program, HUD's requirements are a bit more stringent in relation to lead based paint.

The following describes HUD's **requirements**:

For HUD funded rehabilitation activities, lead hazard evaluation and reduction activities must be carried out for all projects constructed before 1978.

In all cases, notification must be made to the homeowner/buyer in the form of the HUD Lead Hazard Information Pamphlet and Disclosure or an acceptable alternative pamphlet.

The required evaluation and reduction activity is dependent upon the amount of HUD funding used for the project.

For cases where **less than \$5,000** will be spent on the rehabilitation:

Testing: Paint Testing of surfaces that will be disturbed by the rehabilitation activities must occur.

Lead Hazard Reduction: Surfaces, which are disturbed during rehabilitation, must be repaired. Safe work practices must be used. After the rehabilitation activities are completed, clearance must be performed by a certified professional to ensure that units are safe.

For cases where **\$5,001 to \$25,000** will be spent on the rehabilitation:

Testing: Paint testing of surfaces to be disturbed by rehabilitation must occur. In addition, a risk assessment must be performed.

Lead Hazard Reduction: Interim controls must be used. This means that friction and impact surfaces would be addressed. Interim controls include paint stabilization and cleaning. Safe work practices must be used. After the rehabilitation activities are completed, clearance must be performed by a certified professional to ensure that units are safe.

For cases where **more than \$25,000** will be spent on the rehabilitation:

Testing: Paint testing of surfaces to be disturbed by rehabilitation must occur. In addition, a risk assessment must be performed

Lead Hazard Reduction: Abatement of hazards is the required approach. Abatement involves permanently removing lead based paint hazards, often through paint and component removal, replacement, encapsulation and enclosure. Interim controls and paint stabilization may be used on the home's exterior if it is not involved in the rehabilitation. Safe work practices must be used. After the lead hazard reduction activities are completed, clearance must be performed by a certified professional to ensure that units are safe.

Calculating the level of rehabilitation assistance:

When calculating how much HUD funding will be used on a rehabilitation project, the following costs are not counted: soft costs, administrative costs, relocation costs, environmental reviews, acquisition of property, and lead hazard evaluation and reduction costs.

Universal Design & Design Guidelines

This portion of the manual outlines the City's policy on Universal Design and the minimum design criteria for new affordable housing projects.

In order to ensure the sustainability of the projects supported by CDBG and HOME funds, the City has established guidelines in relation to Universal Design. In addition, the City wants to ensure that newly constructed units are compatible with existing neighborhoods.

Policy Direction:

Housing Master Plan Objective 3.3: Develop a program in support of Sustainable Development.

Texas Senate Bill 623: Requires universal design in single-family homes built with funds from Texas Department of Housing and Community Affairs.

CoSA Ordinance 95641: Requires specific design features to create barrier free construction in new single family homes, duplexes, and triplexes built with financial assistance from the City.

Universal Design

On April 18, 2002, the City of San Antonio adopted Universal Design and construction requirements for all new single-family homes, duplexes, and triplexes using financial assistance from the City.

The goal of “Universal Design” is to ensure that housing can accommodate the needs of people with a wide range of abilities, including children, aging populations and persons with disabilities. Consequently, all new construction

housing projects using City of San Antonio CDBG and/or HOME funds will meet all of the following criteria:

- Provide at least one no-step entrance with beveled threshold. This may be at the front, side or back of the house or a garage entrance.
- Make doorways throughout the home at least 32 inches wide; hallways at least 36 inches clear width.
- Reinforce walls around the toilet, bathtub and shower stall so that grab bars may be added later, if needed.
- Install light switches and electrical controls no higher than 48 inches and, electrical plugs no lower than 15 inches above the floor.
- Install lever handles on all doors and plumbing fixtures.

Design Guidelines

All builders and developers of infill housing are strongly encouraged to incorporate the defining features of a neighborhood into newly constructed infill houses. Those defining features of older inner city neighborhoods may include: roof pitches, porches, materials, and window types. Developers must comply with any standards established by an existing neighborhood conservation district and/or approved neighborhood plan.

For infill projects supported with CDBG and/or HOME funds, developers will be required to demonstrate that the neighborhood association near the land to be developed has been consulted on the design issues. Developers should obtain input and feedback from neighborhood residents and work with them to ensure that designs are compatible with existing housing and development patterns.

In extreme cases where an agreement cannot be reached between the developer and local neighborhood groups, CDBG and/or HOME funding may be pulled from the project.

Specific design guidelines may be developed for certain City sponsored projects. Historic and conservation district requirements must also be met for all projects.

For rehabilitation projects, builders and developers are strongly encouraged to retain the defining features of older structures. This applies to multi-family and single-family projects.

APPENDICES

Appendix 1: Housing Master Plan Goals and Objectives

Appendix 2: 2004 Income Limits

Appendix 3: 2004 Applicable Rents

Appendix 4: 2004 FHA Limits

Appendix 5: Affordable Home Price Limit

Appendix 6: Regulatory References

Appendix 7: CHDO Checklist

Appendix 8: HUD Approved/Disapproved Closing Costs

Appendix 9: 221(d)(3) Limits for 2004

APPENDIX 1

Housing Master Plan Goals & Objectives

GOAL 1: Expand affordable housing opportunities.

Objective 1.1: Rehabilitate existing single and multi-family housing units to provide additional housing units.

Objective 1.2: Provide infill housing development to provide new housing stock in older neighborhoods.

Objective 1.3: Support non-profit housing providers through the provision of capacity building and technical assistance.

Objective 1.4: Increase the participation of community and faith-based organizations in revitalization efforts.

Objective 1.5: Establish a standard allotment of CDBG funding to support housing development.

Objective 1.6: Redefine SADA's role in revitalization efforts to take advantage of their unique powers for land acquisition and land assembly.

Objective 1.7: Increase resources dedicated to housing and revitalization.

Objective 1.8: Expand housing rehabilitation efforts utilizing volunteer support and resources.

Goal 2: Expand special needs housing opportunities.

Objective 2.1: Develop alternatives to the traditional housing development models to serve special needs populations.

Objective 2.2: Continue to stimulate a spirit of cooperation among service providers through the Continuum of Care process.

Objective 2.3: Work with special needs providers to establish relationships with other funding sources and assist in the development of their funding proposals.

Objective 2.4: Work with neighborhood associations to relieve Not In My Back Yard (NIMBY) attitudes.

Goal 3: Encourage desirable housing development projects.

Objective 3.1: Stimulate increased production of units for downtown housing development.

Objective 3.2: Encourage mix-use development inside Loop 410.

Objective 3.3: Develop a program in support of Sustainable Development.

Objective 3.4: Encourage adaptive reuse projects.

Objective 3.5: Encourage retail and supportive services in close proximity to inner-city housing initiatives.

Objective 3.6: Encourage the design and development of Walkable Communities.

Objective 3.7: Assist developers with removing barriers in the development process.

Objective 3.8: Implement the Incentive Toolkit and expand the use of TIF, PID, tax abatement, and fee abatements as incentives for desirable housing development.

Objective 3.9: Encourage infill housing production.

Goal 4: Encourage the development of partnership between developers, financial institutions and nonprofit agencies.

Objective 4.1: Establish short and long-term goals and evaluate progress in an annual gathering of housing interests.

Objective 4.2: Institute a periodic, informal networking get-together of individuals interested in housing development to extend the networks established at the Housing Summit.

Objective 4.3: Encourage for-profit development corporations to partner with non-profit organizations when applying to City funded development programs.

Objective 4.4: Identify opportunities to implement programs utilizing initiatives from Fannie Mae, the Federal Home Loan Bank, and others.

Goal 5: Improve program efficiencies.

Objective 5.1 Assist a larger number of clients through benefit caps.

Objective 5.2: Establish a formal process for the evaluation of proposals.

Objective 5.3: Institute a citizens advisory committee to provide input to the Community Development and HOME programs.

Objective 5.4: Remove Administrative barriers from the process.

Objective 5.5: Establish uniform monitoring and evaluation processes for internal and external agencies involved in the housing delivery system.

Objective 5.6: Provide web-based application and monitoring processes to facilitate program participation.

Objective 5.7: Target funding programs to concentrate the impact of redevelopment activities.

Objective 5.8: Reduce costs and improve efficiency of the housing rehabilitation assistance programs.

Goal 6: Encourage urban design standards and amenities.

Objective 6.1: Incorporate “defensible” neighborhood concepts into subdivision design.

Objective 6.2: Improve image and identity of existing neighborhoods.

APPENDIX 2

2004 Income Limits

INCOME	1 PERSON	2	3	4	5	6	7	8+
30% LIMITS	10800	12350	13900	15450	16700	17900	19150	20400
50% LIMITS	18050	20600	23200	25750	27800	29850	31950	3400
60% LIMITS	21600	24700	27800	30900	30900	33400	38300	40800
80% LIMITS	28850	32950	37100	41200	44500	47800	51100	54400

APPENDIX 3

2004 Applicable Rents

	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
LOW HOME RENT LIMIT	425	483	580	669	746	824	901
HIGH HOME RENT LIMIT	425	491	635	836	913	989	1066
FAIR MARKET RENT	425	491	635	883	1044	1201	1357
50% RENT LIMIT	451	483	580	669	746	824	901
65% RENT LIMIT	566	608	731	836	913	989	1066

APPENDIX 4

2004 FHA Mortgage Limits

MSA NAME	MSA CODE	COUNTY NAME	ONE- FAMILY	TWO- FAMILY
SAN ANTONIO, TX (MSA)	7240	BEXAR	\$160,176	\$205,032

APPENDIX 5

Affordable Home Price Limit

The maximum price of an “affordable” home in the City of San Antonio is **\$89,000**. This limit has been determined by the City Council and will be reevaluated periodically.

This limit applies to any single-family home constructed using CDBG or HOME funds.

APPENDIX 6

Regulatory References

You may be interested in reading the actual regulations published by the U.S. Department of Housing and Urban Development for CDBG and HOME and the applicable federal requirements. A copy of the regulations may be obtained by contacting the Housing and Community Development Department or by downloading the information from the HUD website at www.hud.gov.

The regulations for **CDBG** are located at 24 CFR Part 570:

Part 570 - Community Development Block Grants **Subpart A - General Provisions**

Section	Title
570.1	Purpose and Primary Objective
570.2	Removed
570.3	Definitions
570.4	Allocation of Funds
570.5	Waivers

Subpart C - Eligible Activities

Section	Title
570.200	General policies
570.201	Basic eligible activities
570.202	Eligible rehabilitation and preservation activities
570.203	Special economic development activities
570.204	Special activities by Community-Based Development Organizations (CBDOs)
570.205	Eligible planning, urban environmental design and policy-planning- management-capacity building activities
570.206	Program administration costs
570.207	Ineligible activities
570.208	Criteria for national objectives
570.209	Guidelines for evaluating and selecting economic development projects

The regulations for HOME are located at 24CFR Part 92

Part 92-Home Investment Partnerships

Program**Section Title****SUBPART A - GENERAL****92.1** Overview**92.2** Definitions**92.4** Waivers and Suspension of Requirements for Disaster Areas**SUBPART B - ALLOCATION FORMULA****92.50** Formula Allocation**92.60** Allocation Amounts for Insular Areas**92.61** Program Description**92.62** Review of Program Description and Certifications**92.63** Amendments to Program Description**92.64** Applicability of Requirements to Insular Areas**92.65** Funding Sanctions**92.66** Reallocation**SUBPART C - CONSORTIA; DESIGNATION AND REVOCATION OF DESIGNATION AS A PARTICIPATING JURISDICTION****92.101** Consortia**92.102** Participation Threshold Amount**92.103** Notification of Intent to Participate**92.104** Submission of a Consolidated Plan**92.105** Designation as a Participating Jurisdiction**92.106** Continuous Designation as a Participating Jurisdiction**92.107** Revocation of Designation as a Participating Jurisdiction**SUBPART D - SUBMISSION REQUIREMENTS****92.150** Submission Requirements**SUBPART E - PROGRAM REQUIREMENTS****92.200** Private-Public Partnership**92.201** Distribution of Assistance**92.202** Site and Neighborhood Standards**92.203** Income Determinations**92.204** Applicability of Requirements to Entities that Receive a Reallocation of HOME Funds, other than Participating Jurisdictions**92.205** Eligible Activities: General**92.206** Eligible Project Costs**92.207** Eligible Administrative and Planning Costs**92.208** Eligible Community Housing Development Organization (CHDO) Operating Expense and Capacity Building Costs**92.209** Tenant-Based Rental Assistance: Eligible Costs and Requirements**Lead Based Paint Regulations**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 35, 91, 92, 200, 203, 206, 280, 291, 511, 570, 572, 573, 574, 576, 582, 583, 585, 761, 881, 882, 883, 886, 891, 901, 906, 941, 965, 968, 970, 982, 983, 1000, 1003, and 1005

Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance

AGENCY: Office of the Secretary-Office of Lead Hazard Control, HUD.

ACTION: Final rule.

SUMMARY: The purpose of this rule is to ensure that housing receiving Federal assistance and federally owned housing that is to be sold does not pose lead-based paint hazards to young children. It implements sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992. The requirements of this rule are based on the practical experience of cities, states and others who have been controlling lead-based paint hazards in low-income privately-owned housing and public housing through HUD assistance. It also reflects the results of new scientific and technological research and innovation on the sources, effects, costs, and methods of evaluating and controlling lead hazards. With today's action, HUD's lead-based paint requirements for all Federal programs are now consolidated in one part of title 24 of the Code of Federal Regulations.

DATES: *Effective Dates:* Section 35.140 is effective on November 15, 1999. All other provisions of the rule are effective on September 15, 2000.

FOR FURTHER INFORMATION CONTACT: For questions on this rule, call (202) 755-1785, ext. 104 (this is not a toll-free number) or e-mail your inquiry to lead.regulations@hud.gov. For lead-based paint program information, contact Steve Weitz, Office of Lead Hazard Control, Department of Housing and Urban Development, 451 7th Street, SW, Room B-133, Washington, DC 20410-0500. For legal questions, contact John B. Shumway, Office of General Counsel, Room 9262, Department of Housing and Urban Development. Hearing and speech-impaired persons may access the above telephone number via TTY by calling the toll-free Federal Information Relay Service at 1-800-877-8339.

Subparts

Subpart A—Disclosure of Known Lead-Based Paint Hazards Upon Sale or Lease of Residential Property

Subpart B—General Lead-Based Paint Requirements and Definitions for All Programs

- a. Definitions
- b. Exemptions
- c. Options
- d. Notice of Evaluation and Hazard Reduction Activities
- e. Lead Hazard Information Pamphlet
- f. Use of Paint Containing Lead
- g. Prohibited Methods of Paint Removal
- h. Compliance With Other, State, Tribal, and Local Laws

i. Minimum Requirements

j. Waivers

k. Prior Evaluation or Hazard Reduction

l. Enforcement

m. Records

Subpart C—Disposition of Residential Property Owned by a Federal Agency Other Than HUD

Subpart D—Project-Based Assistance Provided by a Federal Agency Other Than HUD

Subpart E—Reserved

Subpart F—HUD-Owned Single Family Property

Subpart G—Multifamily Mortgage Insurance

Subpart H—Project-Based Rental Assistance

Subpart I—HUD-Owned and Mortgagee-in-Possession Multifamily Property

Subpart J—Rehabilitation

Subpart K—Acquisition, Leasing, Support Services, or Operation

Subpart L—Public Housing Programs

Subpart M—Tenant-Based Rental Assistance

Subparts N–Q—Reserved

Subpart R—Methods and Standards for Lead-Based Paint Hazard Evaluation and Reduction Activities

a. Standards

b. Adequacy of Dust-Lead Standards

c. Summary Notice Formats

d. Interim Controls

e. Standard Treatments

f. Clearance

g. Occupant Protection and Worksite Preparation

h. Safe Work Practices

i. Ongoing Lead-Based Paint Maintenance and Reevaluation

APPENDIX 7

CHDO Checklist

Information listed below must be submitted for each organization seeking City of San Antonio CHDO status or re-certification.

1. LEGAL STATUS

- a. Evidence of organization as a non-profit under state and local law:
- b. No part of net earnings benefit any member, founder, contributor or individual
- c. Evidence of IRS 501© Tax Exempt status
- d. Evidence of purpose to provide decent affordable housing to low and moderate income families (Organization's strategic plan must include an affordable housing initiative.)

2. CAPACITY

- a. Conforms to financial accounting standards as defined in OMB Circular A-133:
- b. Demonstrated capacity to carry out activities proposed with HOME funds
- c. History of serving the community where assisted housing is to be provided with HOME funds. Organization must show evidence of operating in San Antonio for at least three years prior to CHDO application.

3. ORGANIZATIONAL STRUCTURE

- a. Maintains 1/3 of its governing board membership from residents of low-income neighborhoods or low income neighborhood organizations in San Antonio.
- b. At least ¾ of board members must reside in the San Antonio MSA.

- c. Provides a formal process for low income potential program beneficiaries to advise the organization in all phases of the development of HOME assisted projects including siting, design, development and management decisions.
- d. CHDO may only have a maximum of 1/3 of its board members consist of representatives of the public sector. A representative of the public sector is elected official, appointed public official, public employee, or an individual is appointed by an public official. Representatives of the public sector appointed by an public official may not select the other 2/3 members of the board, such that more than 1/3 of the members can be traced back to public officials.
- e. A CHDO sponsored or created by a for-profit entity may not have more than 1/3 its board membership appointed by the for-profit entity, and the board members appointed by the for-profit may not, in turn, appoint the remaining 2/3 of the board membership:

4. RELATIONSHIP WITH FOR-PROFIT ENTITIES

- a. CHDO is not controlled or under the direction of for-profit entities or individual seeking profit from the organization
- b. CHDO is free to contact for goods and services from vendors of its own choosing

5. SERVICE AREA

- a. Applicant must provide a description of proposed site for development or service area boundaries.
- b. Service area and proposed projects must be within the city limits of the City of San Antonio.

APPENDIX 8

HUD Approved/Disapproved Closing Costs

ALLOWABLE	DISAPPROVED
Prepays	Mortgage Insurance Premium
Hazard Insurance (14 months)	Courier Fees
Property Taxes (2 months)	Tax Service Fee
Accrued Interest (7 days)	Closing Investor Fee
Closing Costs	Tax Certificate
Credit Report	Application Fee
Closing Fee/Title Company	Attorney Fees
Appraisal	Discount Fees/Buy-down fee
Origination Fee 1%	Commission (Real Estate)
Buyer's Broker Fees	Participation Fee
Recording Fees	Processing Fee lender or RE
Environmental Inspection	Recording fee assignment to
Survey	Transfer and HOA fees
Flood Certification	Underwriter Fees and other excess
Pest Inspection	
Document Preparation/Title	
Commitment Fee	

APPENDIX 9

Statutory Mortgage Limits— National Housing Act (4/2/04)

221 (d)(3) Limits

0 BR	1 BR	2 BR	3 BR	4 BR+
\$42,980	49,557	59,766	76,501	85,225